

STATE OF IOWA
Projected General Fund Incremental Built-in and Anticipated Expenditures
(Dollars in Millions)

	FY 2007	Description
Built-in Changes		
Human Services - Medical Assistance	\$ 149.4	Includes: \$52.0 million to cover the unfunded FY 2006 costs; \$50.0 million due to a projected shortfall in funding from the Senior Living Trust Fund; \$32.0 million for a projected 4.34% enrollment growth; \$7.7 million for 1.0% medical inflation increase, and \$7.7 million for a 0.97% decrease in the federal match rate.
Revenue - Homestead Tax Credit	131.8	This was funded from the Property Tax Credit Fund in FY 2006 at \$102.9 million. The FY 2007 estimate assumes fully funding the tax credit.
Education - K-12 School Foundation Aid	111.3	Includes 4.0% allowable growth and restores the \$11.8 million for the Area Education Agency (AEA).
Revenue - Agricultural Land Tax Credit	39.1	This was funded from the Property Tax Credit Fund in FY 2006 at \$34.6 million. The FY 2007 estimate assumes fully funding the tax credit.
Revenue - Elderly and Disabled Credit	22.8	This was funded from the Property Tax Credit Fund in FY 2006 at \$19.5 million. The FY 2007 estimate assumes fully funding the tax credit.
Appropriation to Endowment for Healthy Iowans	17.8	SF 533 (FY 2002 Tobacco Settlement Trust Fund Appropriations Act) established a six-year standing limited appropriation of varying amounts to the Endowment for Iowa's Health Account. HF 882 (FY 2006 Standing Appropriations Act) deappropriated the FY 2006 appropriation of \$29.6 million. The appropriation for FY 2007 is \$17.8 million.
Human Services - Mental Health Growth Factor	7.3	The FY 2007 Growth Factor was established in HF 882 (FY 2006 Standing Appropriation Act)
Human Services - State Children's Health Insurance Program - hawk-i	5.2	Includes: \$1.6 million to replace one-time funds from the balance of the hawk-i Trust Fund; \$2.0 million for estimated increases in hawk-i premiums of 10.0%; and \$1.6 million for estimated enrollment increases.
Management - State Appeal Board Claims	3.8	Increase based on historical level of claims paid through the Appeal Board. The average annual payment for six years (FY 1999 - FY 2004) is \$8.2 million.
Education - College Student Aid Work Study Program	2.7	Returns the appropriation to the statutory level of \$2.8 million.
Revenue - Military Service Tax Credit	2.5	This was funded from the Property Tax Credit Fund in FY 2006 at \$2.6 million. The FY 2007 estimate assumes fully funding the tax credit.
Public Health - Substance Abuse	2.0	This is a new standing appropriation of \$2.0 million established in HF 882 (FY 2006 Standing Appropriations Act) to the Department of Public Health to be used for substance abuse treatment and prevention.
Educational Excellence	1.4	Returns the appropriation to the statutory level of \$56.9 million.
Child Development - At-Risk Early Childhood Education	1.3	Returns the appropriation to the statutory level of \$12.6 million.
Instructional Support	0.4	Returns the appropriation to the statutory level of \$14.8 million.
Livestock Producer Tax Credit	0.2	Returns the appropriation to the statutory level of \$2.0 million.
Education - Early Intervention Block Grant	-29.3	This standing appropriation sunset at the end of FY 2003, but has been annually funded. Under current statute, the appropriation is eliminated.
Total	\$ 469.7	

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	FY 2007	Description
Anticipated Expenditure Changes		
FY 2007 Collective Bargaining Salary Costs	\$ 83.0	Includes \$54.6 million for annualization, steps, COLA, and benefits; and \$28.4 million for Regents.
Corrections - Oakdale Expansion Operating Costs	12.0	Costs associated with opening and operating the 170-bed Special Needs Unit at Oakdale for approximately six-months of FY 2007. Includes \$3.0 million for one-time equipment costs and \$9.0 million for operational costs.
Inspections and Appeals - Indigent Defense & Public Defender	7.0	Estimate is based on historical growth in claims, and FY 2004 actual expenditures.
Judicial Branch - Retirement Fund Contribution	2.9	For FY 2006, the General Assembly notwithstanding the Code and reduced the rate from 23.7% to 9.2%.
Education - Teacher Quality/Student Achievement Act	2.5	Represents the amount needed to fully fund teacher salary increases associated with the Program.
Human Services - Child and Family Services (CFS)	2.2	The General Assembly lowered the FY 2006 CFS base due to the carry forward of funds from FY 2005, which will need to be replace in FY 2007.
Human Services - Child Care Assistance	2.0	The General Assembly delayed implementation of expanding the Family Poverty Level (FPL) for the Child Care Assistance Program until Sept. 1, 2005, to save \$450,000, as well as to delay the implementation of a provider rate increase for the Program until Sept. 1, 2005, to save another \$1.5 million. In order to fully fund both these initiatives in FY 2007, an increase of \$2.0 million will be necessary.
Administrative Services - Annualization of DAS Distribution	0.3	For FY 2006, the General Assembly appropriated \$158,000 for the DAS Distribution Account and will use \$272,000 in carry forward funds, for a total of \$430,000. The \$272,000 is one-time money that will need to be replaced in FY 2007.
Workforce Development - Field Offices	-3.2	SF 2311 (FY 2005 Economic Stimulus Act) provided a standing limited appropriation for Workforce Development field offices in lieu of an Administrative Contribution Surcharge. The appropriation was \$6.5 million for FY 2005 and FY 2006 and is reduced to \$3.3 million for FY 2007.
Public Safety - Cost Increases		
- Gambling Enforcement Officers	2.6	The four new riverboat licenses will require the addition of 32.0 FTE positions which include: 8 special agents and 24 gaming enforcement officers.
- Fuel Costs	1.5	The Department of Public Safety (DPS) FY 2006 fuel budget was based on \$1.00 per gallon (excludes State and federal taxes). The FY 2007 estimate assumes fuel costs of \$2.50 per gallon. Public Safety uses approximately 977,000 gallons of fuel per year.
- IOWA System T1 Line Conversion	0.7	Conversion of the IOWA System from 56K lines to T1 lines per the National Crime Information Center (NCIC) requirement will result in increased billings from the ICN by \$700,000 (from \$500,000 to \$1.2 million) in FY 2007.
- DNA Profiling	0.6	For FY 2006, the General Assembly funded \$600,000 and 3.0 FTE positions for DNA profiling with one-time Microsoft funds.
- Administrative Services Billings	0.5	The DPS will need \$464,000 for rent and utilities. Of this, \$62,500 is for 6 months of billings associated with the opening of the Records and Properties Building in January 2007. These costs are charged through the DAS billing process.
- DNE Fusion Database System	0.3	The increase is to replace federal funds that will be eliminated in FY 2007.
- State Fire Marshal	0.1	The General Assembly appropriated \$100,000 in FY 2005 as a supplemental for 3.0 FTEs to be spent in FY 2006, which creates a built-in for FY 2007 of \$100,000.
Total	\$ 115.0	
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 584.7	